

**DE MONTFORT UNIVERSITY  
STUDENTS UNION LIMITED**

**ANNUAL REPORT & FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017**

**Registered Number 06634464 (England and Wales)**

# DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

## TRUSTEES REPORT

### FOR THE YEAR ENDED 31 JULY 2017

---

The Trustees (who are also the director's of the Charity for the purposes of the Companies Act) present their Trustees report together with the audited financial statements of De Montfort University Students Union Limited (the Charity) for the year ended 31 July 2017. The Trustees confirm that the Trustees report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in January 2015.

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Charitable Status

De Montfort University Students Union Limited (DSU) is a company limited by guarantee (company number 06634464) and a registered charity (charity number 1138587).

##### Principal Address and Registered Office

First Floor, Campus Centre Building, Mill Lane, Leicester, Leicestershire, LE2 7DR

##### Trustees

The following Trustees are also Directors of the company

##### Full-time Executive Officers

The Executive Officers are elected by the student population to hold office from 1 July 2017 to 30 June 2018 and are known also as the Executive Committee. The Executive Officers who held office during the year are:

President	Ahtesham Mahmood (appointed 1/7/17)
Deputy President Education	Mollie Footitt (appointed 1/7/17)
Vice President Media and Communications	Michael Clarke
Vice President Student Activities	Derrick Mensah (appointed 1/7/17)
Vice President Welfare and Community	Jessica Okwuonu (appointed 1/7/17)
President	Daniel Winney (resigned 30/6/17)
Deputy President Education	Augustus Mbanasor (resigned 30/6/17)
Vice President Student Activities	Ahtesham Mahmood (resigned 30/6/17)
Vice President Welfare and Community	Keira Rounsley (resigned 30/6/17)

##### External Trustees

The External Trustees are appointed to the Trustee Board by an Appointments Committee. The External Trustees who held office during the year are:

James Gardner	(appointed 1/8/16)
Danielle Gillett	
Robert Gofton	
Anil Majithia	(appointed 20/6/17)
Philip Smith	(resigned 7/12/16)

# DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

## TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2017

---

### Student Trustees

The Student Trustees who held office during the year are:

Student Trustee	Keshana Davidson
Student Trustee	Quinn Franklin
Student Trustee	Daniel Czyzak (appointed 11/7/17)
Student Trustee	Laura Toher-Hindle (appointed 7/8/17)
Student Trustee	Valerie Iriogbe (resigned 30/6/17)
Student Trustee	Wendy Rainbow (resigned 30/6/17)

### Alumni Trustees

The Alumni Trustees who held office during the year are:

Alumni Trustee	Carl King (appointed 10/8/16)
Alumni Trustee	Holly Percival (appointed 1/8/16)

### Auditors

RSM UK Audit LLP  
Chartered Accountants  
Rivermead House  
7 Lewis Court  
Grove Park  
Leicester  
LE19 1SD

**Charity Number** 1138587

**Company Number** 06634464

### Bankers

Royal Bank of Scotland  
5 Market Street  
Leicester  
LE1 6DN

### Governing document

The Students' Union is governed by the Memorandum and Articles of Association. The Students' Union is a company limited by guarantee and does not have any share capital. The guarantors are the members of the Students' Union, being registered students at the De Montfort University as defined in the Articles of Association.

### DSU Staff

DSU employs a Chief Executive Officer to work closely with the Executive Officers and as head of the Senior Leadership Team ensures effective management. The Senior Leadership Team is made up of the following:

Chief Executive Officer	Jo Bradley-Fortune
Head of Commercial Development	Adam Craig
Head of Finance, HR and Central Services	Paula Heneghan
Head of Membership Services	Colina Wright

# DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

## TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2017

---

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Organisational Structure and Decision Making

DSU became a company limited by guarantee on 1 August 2009 and registered as a charity on 26 October 2010. The governance structure includes the appointment of up to four External Trustees, two Student Trustees and two Alumni Trustees onto the Trustee Board. The experiences and expertise held by these Trustees ensure that DSU can focus on continuity as previously the short term of office held by the Executive Committee has made long term strategic planning more challenging. Appointments to the Trustee Board are made by an appointment committee.

#### Recruitment and training of Trustees

The Trustee Board consists of fifteen Trustees and is constituted as follows:-

- 5 Executive Officer Trustees
- 4 External Trustees
- 4 Elected Student Trustees
- 2 Alumni Trustees.

The five Executive Officer posts are President, Deputy President Education, Vice President Media and Communications, Vice President Student Activities and Vice President Welfare and Community. These are full time posts which make up the Executive Committee and are remunerated as authorised by the Education Act. These posts cannot exceed two years duration for each post holder. On induction the Executive Committee receive ILM accredited Trustee training and have access to ongoing training as required. The Executive Officers are also charity Trustees.

The Executive Committee meets monthly to receive reports including financial information, to discuss policy issues and receive information from staff as required.

The Trustee Board structure also includes four elected student trustee positions to improve the voice of students at DSU. This structure ensures accountability of the Executive Committee as well as increasing student participation in DSU.

Our External and Alumni Trustees are appointed for a term of four and two years respectively and can stand for re election for another term. The appointment is made by an Appointments Committee.

All Trustees receive a full induction into the work of the Students' Union and the roles and responsibilities of a Trustee.

DSU is affiliated to the National Union of Student (NUS) and receives support and information on a wide range of topics.

#### Key Management and Trustees Pay

DSU follows De Montfort University's pay and grading system with staff being aligned to the Universities Single Salary Pay Spine. Staff are awarded an annual pay award which is nationally negotiated and is usually applied to the scales on the 1 August each year. Dates can vary depending on national and local agreements but this is back dated to 1 August as required.

Staff on the single salary pay spine are also given annual increments, which take effect from April (until they reach the top of their grade). The first increment for new starters depends on their start date.

The remuneration of the CEO is agreed outside of this salary scale and approved by the Trustee Board. The CEO also receives an annual performance-related bonus which is also agreed by the Trustee Board.

# DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

## TRUSTEES REPORT (continued)

### FOR THE YEAR ENDED 31 JULY 2017

---

#### **Risk management**

The major strategic, business and operational risks to which the charity is exposed, as identified by the Trustees, are regularly reviewed and systems or procedures put in place to mitigate those risks. A risk register has been established which is updated and reported to the Executive Committee and Trustee Board on a twice annual basis, covering the following key matters amongst others:

**Funding** – DSU receives the majority of its income from De Montfort University as well as generating its own income from commercial services. Annual budgets are set and approved by the Trustee Board with management accounts and variances to budget regularly reviewed. DSU is also represented on the De Montfort University (DMU) Board of Governors to ensure reporting and communication with our main funder.

**Retention of key staff** – Use of experts to assist with key recruitment decisions, enhanced support and supervision with opportunities to progress. Key staff are involved in the long term strategy and annual business planning that aligns resources to activities.

**Governance management** – Corporate governance structure aligned with Charity Commission best practice guidelines which involves strong communication with staff and trustees, review of policies and procedures, regular meetings and information on performance and progress, clear and defined decision-making processes.

**Financial systems and control** – Qualified in-house finance professionals producing accurate and up to date financial reporting with close monitoring of internal controls and a regular review of processes and procedures to ensure they are fit for purpose. This includes working towards a tested cyber-security policy.

**Compliance with laws and regulations** – Ongoing monitoring and review of changes as well as adherence to best practice.

**Brexit** – no significant risks have been identified as a result of the decision to leave the EU. Close monitoring of the impact of Brexit on the student body and DSU will continue and is supported by De Montfort University and NUS.

#### **Public benefit**

The Trustees have considered this matter, in conjunction with the guidance contained in the Charity Commission's general guidance on public benefit, and have concluded that as a registered charity and Students' Union, our work directly supports and benefits the 22,000+ students registered to study at De Montfort University. In planning our work we test that the primary goals of all our activities are linked to our core aims and therefore are for the direct benefit of our member students.

#### **OBJECTIVES AND ACTIVITIES**

DSU is constituted under the Education Act 1994 as a charity. The main aims of DSU as set out in its governing documents are:

To advance the education of the students of De Montfort University for the public benefit by:

- Providing representation, advice and assistance to students on matters affecting their welfare and interests as students;
- Providing sporting, social, cultural and recreational opportunities and facilities for students so as to further the educational purposes of De Montfort University;
- Promoting and encouraging contact and co-operation between students;
- Advancing the welfare and physical and mental wellbeing of students; and
- All such objects as are charitable in law which are incidental or conducive to the foregoing objects.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission general guidance on public benefit.

# DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

## TRUSTEES REPORT (continued)

### FOR THE YEAR ENDED 31 JULY 2017

---

#### Relationship with De Montfort University

For the year ended 31 July 2017 DSU received a Block Grant from De Montfort University (DMU) of £1,044,792 (£1,260,996 2015/16). For the financial year 2017/18 DMU have agreed a Block Grant of £1,046,864. DSU is extremely grateful for the university's continuing support and in addition the use of the £3M recently refurbished space within the campus. The stable Block Grant and continued use of campus space ensures DSU can keep supporting its members and deliver the best service to achieve its aims and aspirations for the coming year.

DSU continue to benefit from positive relationships with university staff at all levels. Their support and guidance is invaluable to the anticipated refocus of the Student Union expected over the coming years.

We aspire to make a continued positive contribution to the lives of our members and the campus community in 2017/18.

The Charities SORP has been adopted for due compliance with the requirements for Students' Unions' provided in the Charities Act 2006. As a result an estimated value to DSU for the free serviced accommodation has been included in the financial statements. This has been valued at £150,000 based on market prices within the Midlands.

#### FINANCIAL REVIEW

##### Reserves Policy

The Trustee Board have approved a reserves policy and identified three reasons for DSU to hold reserves:-

- To provide financial stability to enable DSU to continue to achieve its objectives during challenging trading periods. This will enable DSU to cover regular short term fluctuations in income and cashflow.
- To allow DSU to take advantage of strategic development opportunities and plan for growth.
- To enable DSU to make provision for our staff redundancies and closure costs on any dissolving of the Charity.

DSU has identified that a minimum level of unrestricted funds should be set to counter balance trading uncertainty and produce a base level for stability. Additionally a target level of unrestricted funds will also be set to allow for growth and for DSU to take advantage of strategic development opportunities going forward.

DSU have identified the current level of unrestricted funds should be set as: -

##### Minimum Level

- Three months operating costs plus an additional fund to cover redundancy costs for all staff (general reserve) plus a designated fund for investment.

##### Target Level

- Six months operating costs plus an additional fund to cover redundancy costs for all staff (general reserve) plus a designated fund for investment.

# DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

## TRUSTEES REPORT (continued)

### FOR THE YEAR ENDED 31 JULY 2017

---

#### **Reserves Policy (continued)**

The designated fund for investment will cover the refurbishment of our commercial areas and administrative space. This will allow DSU to take advantage of future opportunities and risks. As such the designated funds are excluded from reserves as per the Charities Commission definition.

Following the recent triennial valuation at the 30 June 2016, the net present value of future contributions required to eliminate the shortfall has increased the liability being recognised in the balance sheet at 31 July 2017 to £932,788 (2016: £732,111) and a subsequent deficit on reserves of £535,285 (2016: £264,060). The trustees are confident the current deficit compared to the above reserves policy is wholly as a result of the provision required on adoption of FRS102 and that this deficit will reduce over coming years and that cash reserves remain adequate.

#### **Our Vision, Mission and Values**

De Montfort Students' Union (DSU) is an independent student-run and student-led organisation.

**DSU Vision** is to provide an Exceptional Student Experience.

**DSU Mission** is to represent, inspire and involve students to enhance their university experience.

#### **DSU Values**

- Act with and for you
- Inspire you
- Listen to you
- Represent you
- Support you

#### **DSU Areas of work**

- Voice
- Activities
- Support
- Life

**The areas of work are undertaken in the main by three teams**

#### **Our membership team:**

- Voice – Representation, democracy and campaign support
- Activities – Societies and Volunteering
- Support – Advice and welfare

#### **Our Commercial team:**

- Retail
- Venue
- Catering
- Marketing

#### **And our back office team:**

- Support services
- Reception
- HR

# DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

## TRUSTEES REPORT (continued)

### FOR THE YEAR ENDED 31 JULY 2017

---

#### REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The charitable company has reviewed the key achievements and progress over the course of the year below:

##### **Improved Communications**

During this year, DSU has made significant investment into improving communications with all students. With the introduction of fortnightly, well designed and easy to read newsletter emails – upcoming events and news are sent to all DMU students. Open and click through rates are analysed to continually improve how we communicate through these emails. Our social media output has dramatically improved this year, with timely and relevant content across all platforms, making us one of the leading SU's for twitter content in the country. We have launched a new website, making information clearer and easier to find. Additionally we are working more cohesively to ensure every department, campaign and event is designed and communicated to students.

##### **Executive Team**

The Executive Officers Team have continued to develop and generate positive impact within the Students' Union and University. Building from the successful launch of #LoveDMU the Executive Officers have been working in partnership with the University throughout 2016/17 in raising awareness, listening and representing the student voice at all levels. This enables wins such as the initiative with the University Library being open for 24 hours 7 days a week, and over £800,000 was provided to students to help with course costs.

Executive Officers Team have ran several initiatives such as #GenerationVote campaign and DMU's Be the Change events to ensure as many students are registered to vote for the elections. The Executive Officers Team also ran and delivered BME and Women in leadership conferences to celebrate leaders across DSU and DMU and to develop and train leaders of the future. The newly Elected Officers have now started within their roles and are busy being inducted into the Students' Union. They have been working on their manifestos and been developing their priority campaigns for the year ahead, and aligning these to DMU's strategic framework, and are looking forward to working with the University and members in 2017-18.

##### **Membership Services**

This year has seen success in all aspects of membership services with increased engagement at a variety of levels.

##### **Student Voice: Academic Representation**

The 2017 Leadership Election saw great involvement from students and was a great development in student engagement and ensures that the Students' Union continues to be relevant and be the legitimate Student Voice. Within the 2017 Leadership Election five Executive Officers and six Liberation Representatives are elected by the student membership. We also elected four student delegates to attend and represent DSU at the NUS National Conference. A total of 62 nominations were received, with a total of 50 running in the election. We saw an average of five students running in each of the full time positions and two in the each of the part time positions. We only had one role that was uncontested and that was the BME representative. A total of 5,455 (22.3%) votes were cast, an increase of 510 votes on the 2015 turnout. All eleven roles were successfully elected and the Students' Union now has a full complement of full time and part-time Executive Officers. The events and organisation of the elections was a particular success with LeadyourDSU day having over 190 attendees.



# DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

## TRUSTEES REPORT (continued)

### FOR THE YEAR ENDED 31 JULY 2017

---

#### **Student Voice: Academic Representation (continued)**

The Big Meet (The Annual General Meeting) and the Student Councils (Activities Council and Education Council) this year have been well attended. The Big Meet had 220 student attendees and the Financial and Trustee Reports were well received. The Student Councils have also been well attended with 356 students attending and the numbers of clubs and societies attending the Activities Council has remained high with the average attendance being 71 students. The attendance at the Education Council has been higher than previous years with average attendance being 67.5 people across the year. 12 policies have been submitted to Council this year. With 8 being voted and accepted as Union policy. An average of just under 2.4 policies is submitted at each Council.

The Students' Union has been continuing to develop the student representation and student voice at all levels within the Students' Union and University. In the academic year ending 31 July 2017 the Executive Officers Team and Student Voice department have been working closely with key university staff members and departments to develop student representation. The key development this year has been the implementation of the Student Representative Coordinator (SRC) role, these students are appointed through interviews and are paid through a bursary of £600 for the year. These roles have proven to be a vital link between staff and students throughout the university. The SRC's meet monthly with the Head of Schools and discuss issues but also create action plans to solve these as quickly as possible. One of the key roles the SRC's have is being full active members of University Committees and working groups. Over 24 committees and working groups have SRC representation on them, these range from Academic Quality Committee to Personal Tutoring Working Group.

Student Representation and the representation system is under intense scrutiny from the university, and the Students' Union welcomes this. The course representation scheme continues to develop, seeing 220 students attend the conference. Out of the 658 course representatives across the institution, 228 course representatives completed the Higher Education Achievement Report (HEAR). This would be the metric of measuring engagement moving forward. Course Representative recorded 78 wins this year ranging from timetable changes and deadline extensions to extra teaching sessions being provided.

#### **Activities: Societies**

In the 2016-17 academic year DSU has continued to support student groups and increase the number of students involved. DSU currently has 108 active societies and the new online system has removed barriers and enabled easier creation of new Societies, with the Filipino Society being the newest society on campus. The total society memberships has reached 4,730, with a total of 3,034 members, these societies are all student-led through committee volunteers.

#### **Activities: Volunteering**

Within 2016-17 there has been 863 students registered and working as volunteers through DSU working with over 300 local charitable organisations. The National Volunteering week this year was a success, seeing over 150 students involved in activities throughout the week such as sexual health awareness and a 'sleep out' event. One student group received national media coverage.

#### **Activities: MyUniPal**

MyUniPal has supported 83 students this year through 36 peer mentors. This project is under review and DSU will be working in partnership with the University Mentoring Teams to work with eight University programmes to support transition and retention and to create more opportunities throughout the Fresher's and Welcome activities.

#### **Activities: Demon Media**

Demon Media has continued to go from strength-to-strength in 2016-17, becoming our largest student group with 291 members. Demon Media successfully hosted the National Student Radio Conference and welcomed students, industry experts, and the biggest names in the radio industry onto the DMU campus.

# DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

## TRUSTEES REPORT (continued)

### FOR THE YEAR ENDED 31 JULY 2017

---

#### **Advice**

The Advice team has provided excellent advice and support to students this year on more than 6,500 individual enquiries. Welfare helped students gain over £75,000 in returned damage deposits, SFE funding cases, rent write-offs and immigration application fees. In addition Advice sent 400 successful students visa applications through the Student Batch Scheme and represented over 107 students face to face at University meetings / hearings.

#### **FINANCIAL RESULTS**

DSU gross income from all sources this year totalled £1,989,614 (2016: £2,308,859). Total expenditure of £2,210,839 (2016: £2,293,750) on the wide-ranging student benefits we provide left a deficit of £271,225 (2016: surplus of £15,109).

Following the adoption of FRS102, the charitable company has been required to recognise the net present value of future contributions required to eliminate the shortfall estimated with respect to charitable company participation in the Students' Union Superannuation Scheme. This has resulted in a liability being recognised in the balance sheet at 31 July 2017 of £932,788 (2016: £732,111) and this has resulted in a charge to the Statement of Financial Activities in the year of £246,109 (2016: £63,812).

#### **DSU Venue and Catering**

The DSU Venue and Catering facilities were both closed for large portions of the year due to the redevelopment of the building.

DSU opened its new Catering facility (Milly Lanes) in January 2017. Whilst Milly Lanes made a loss for its first six months of trading this was expected due to launching in the quietest half of the year. Going forward a review of the catering facility means that Milly Lanes expects to gain customer loyalty when the new intake of students arrive in September. Milly Lanes have considered customer feedback and looked at menu changes, staffing rotas and waiting times to improve both the facility and the margins.

The DSU Venue was closed for the majority of the financial year apart from a couple of one off events later in the year. Despite this closure DSU was able to deliver a very successful Freshers Week with £100,000 worth of wristband or tickets sales over the two week period.

The Trustee Board has approved an external review of all of the Commercial offer including analysis of the current offer and future opportunities for DSU to develop its commercial revenues. DSU are confident that this commercial review will enable DSU to consider the current offer in terms of student satisfaction and requirements as well as financial performance.

#### **Supplies (DSU Shop)**

Supplies sells a variety of specialist supplies for DMU courses such as art and nursing as well as clothing and also provides dissertation and binding services.

Supplies has made a profit of £15k (2015/16 £49k) despite being closed for 6 weeks during the first term due to the revamp. This is a great result given that the period of closure was during a very busy period for Supplies. Constant product reviews and excellent customer service offered in the shop has been key to our success this year.

# **DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

## **TRUSTEES REPORT (continued)**

**FOR THE YEAR ENDED 31 JULY 2017**

---

### **DSU Marketing**

Marketing achieved a net profit figure of £47k (2015-16 £43k). This is down to a strong Freshers' Fair booking performance and direct sponsorship agreements with 3 national companies accounting for this improvement on last year.

The sales of NUS cards strengthened again during the year and this is an area where further growth is expected going forward.

### **Student Union Lettings Limited (trading as Sulets)**

On 1 August 2012, the trade and assets of the Lettings operation were transferred to a new limited company Student Union Lettings Limited (trading as Sulets). Sulets is a registered charity and company limited by guarantee which is jointly controlled by DSU and The University of Leicester Students' Union (ULSU). The agency also supports the Union via its sponsorships of various awards ceremonies at the end of the year.

In the opinion of the Trustees, the Charity's ownership is considered to be a joint venture and not a subsidiary undertaking of the Charity. As such the Charities share of the profits and assets of Sulets are not included in these annual accounts. However at the year end (30 June 2017) Sulets had profits of £121,363 (2016: £178,979) and net assets of £779,659 (2016: £658,296).

### **PLANS FOR THE FUTURE**

Following the recruitment of our new CEO in March 2017 DSU is now in the process of updating our Strategic Plan in line with our new branding via consultation with key stakeholders to ensure we meet the needs of students, DMU and other stakeholders. Over the next year we will horizon scan to better understand our environment locally, nationally and globally. We recognise that the future of HE is changing and we must ensure that our member's needs are front and centre in this evolving environment. We acknowledge and recognise that we must respond to, and plan for what impacts on the sector and more importantly our closest partner, De Montfort University. We must be swift and agile in our response and collaborative and seamless in our approach to the challenges that will ultimately affect all stakeholders. We formally acknowledge their investment and commitment in the DSU to achieve this end and will work to ensure we meet expectation. We believe that the DSU needs to, in this next six months identify ways that it too can be considered a valued partner of a top university (DMU is one of thirty one top universities from the UK in the global market)

We intend to refresh and refocus our relationship with DMU to ensure we have parity and unity of approach when supporting students to get the best from their university experience. We will be reviewing the way we operate to ensure we drive efficiency, efficacy and achieve quality. We will be reviewing our practices to ensure they are safe, sustainable, enabling and student centred. We will be investing in the staff to ensure we have the best team to invoke the changes to become one of the best Students Unions in the UK

We aim to have completed our new integrated and student led strategy by July 2018.

# DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

## TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2017

---

### Trustees' Responsibilities

The Trustees (who are also directors of De Montfort University Students Union Limited for the purposes of Company Law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources including the income and expenditure, of the charitable company for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principle in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

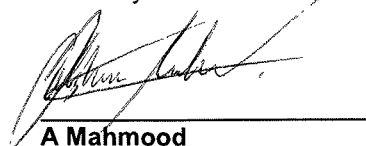
### Provision of information to auditors

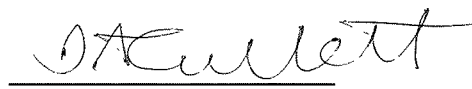
The Trustees at the time when this Trustee's report is approved have confirmed that:

- So far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- The Trustees have taken all the steps that ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by the section 415A of the Companies Act 2006.

This report was approved by the Trustees on 23<sup>rd</sup> OCTOBER 2017 and signed on their behalf by:

  
**A Mahmood**  
Trustee and President

  
**D Gillett**  
External Trustee

# **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

**FOR THE YEAR ENDED 31 JULY 2017**

---

## **Opinion on financial statements**

We have audited the financial statements of De Montfort University Students Union Limited (the 'charitable company') for the year ended 31 July 2017 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

**FOR THE YEAR ENDED 31 JULY 2017**

---

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

**FOR THE YEAR ENDED 31 JULY 2017**

---

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

Gareth Jones, Senior Statutory Auditor  
for and on behalf of  
RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants,  
Rivermead House  
7 Lewis Court  
Grove Park  
Enderby  
Leicestershire  
LE19 1SD

Date: 25/10/17

**DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES  
INCORPORATING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 JULY 2017**

	Notes	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>Income from:</b>					
Donations and legacies	4	-	1,194,792	1,194,792	1,340,996
Charitable activities	4	214,940	345,667	560,607	798,951
Other trading activities	4	-	122,431	122,431	86,276
Investment income	4	-	1,038	1,038	1,264
Other income	5	-	110,746	110,746	81,372
<b>Total</b>		<b>214,940</b>	<b>1,774,674</b>	<b>1,989,614</b>	<b>2,308,859</b>
<b>Expenditure on:</b>					
Raising funds	6	-	149,707	149,707	98,983
Charitable activities	6	406,381	1,704,751	2,111,132	2,194,767
<b>Total</b>		<b>406,381</b>	<b>1,854,458</b>	<b>2,260,839</b>	<b>2,293,750</b>
<b>Net (expenditure) / income before</b>					
Severance payments	9	-	-	-	(44,996)
Investment in facilities	11	-	(50,000)	(50,000)	-
<b>Net (expenditure) / income and net movement in funds</b>	<b>11</b>	<b>(191,441)</b>	<b>(79,784)</b>	<b>(271,225)</b>	<b>15,109</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		(650,381)	386,321	(264,060)	(279,169)
<b>Total funds carried forward</b>	<b>18</b>	<b>(841,822)</b>	<b>306,537</b>	<b>(535,285)</b>	<b>(264,060)</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing operations.

A detailed comparative Statement of Financial Activities is shown in note 24.



**DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

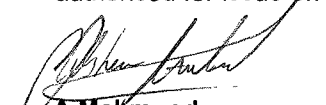
**BALANCE SHEET  
COMPANY NUMBER 06634464**

**AS AT 31 JULY 2017**

	<b>Note</b>	<b>£</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Fixed assets:</b>				
Tangible assets	12		164,287	14,669
<b>Current assets:</b>				
Stocks	13	26,327	27,722	
Debtors	14	65,057	86,863	
Cash at bank		323,102	480,488	
		<u>414,486</u>	<u>595,073</u>	
<b>Liabilities:</b>				
Creditors: amounts falling due within one year	15	(176,270)	(136,691)	
<b>Net current assets</b>			<u>238,216</u>	<u>458,382</u>
<b>Total assets less current liabilities</b>			<u>402,503</u>	<u>473,051</u>
Provisions for liabilities	17		(5,000)	(5,000)
<b>Net assets excluding pension liability</b>			<u>397,503</u>	<u>468,051</u>
Defined benefit pension scheme liability	21		(932,788)	(732,111)
<b>Total net liabilities</b>			<u>(535,285)</u>	<u>(264,060)</u>
<b>Total funds of charity</b>				
Restricted funds	18		<u>90,966</u>	<u>81,730</u>
Unrestricted funds:				
General fund	18		170,962	226,402
Facilities development reserve	18		135,575	159,919
<b>Total unrestricted funds</b>			<u>306,537</u>	<u>386,321</u>
Pension reserve	18		(932,788)	(732,111)
<b>Total charity funds</b>			<u>(535,285)</u>	<u>(264,060)</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements on pages 15 to 33 were approved by the Board of Trustees and authorised for issue on 23<sup>rd</sup> OCTOBER 2017 and signed on their behalf, by:

  
**A Mahmood**  
Trustee and President

  
**D Gillett**  
External Trustee

**DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 JULY 2017**

	<b>Note</b>	<b>£</b>	<b>2017 £</b>	<b>£</b>	<b>2016 £</b>
<b>Cash flows from operating activities</b>					
<b>Net cash provided by operating activities</b>	20		14,921		49,355
<b>Cash flows from investing activities</b>					
Interest from investments		1,038		1,264	
Purchase of tangible fixed assets		(177,629)		(3,808)	
Proceeds on disposal of tangible fixed assets		4,284		-	
<b>Net cash used in investing activities</b>			(172,307)		(2,544)
<b>Change in cash and cash equivalents in the reporting period</b>			(157,386)		46,811
<b>Cash and cash equivalents at the beginning of the reporting period</b>			480,488		433,677
<b>Cash and cash equivalents at the end of the reporting period</b>			323,102		480,488

## DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

---

#### 1. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical accounting estimates and areas of judgement to note.

#### 2. Accounting policies

##### *Accounting convention*

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102), (Charities SORP (FRS102)) "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

De Montfort University Students Union Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### *Going concern*

The charitable company has cash resources and no requirement for external funding, other than the annual block grant received from De Montfort University which has been confirmed for 2017/18. The impact of FRS102 has required the charitable company to recognise the net present value of future contributions required to eliminate the shortfall estimated in the 2014 triennial valuation of the scheme. Taking all of the above into account, the trustees have reasonable expectations that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe that the going concern basis of accounting is appropriate in preparing the annual financial statements.

There are no significant financial uncertainties which the trustees consider are a significant risk to the ability of the charitable company to trade as a going concern in the foreseeable future.

##### *Fund accounting*

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017 (continued)

---

2. Accounting policies (continued)

*Income*

All incoming resources are recognised once the trust has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

- Voluntary income, including donations, and grants are recognised where there is entitlement, probable of receipt and the amount can be measured reliably. The charitable company benefits from the provision of accommodation by the De Montfort University. The value of the gift of these facilities is based on the rental of similar facilities in similar locations.
- Investment income is recognised on a receivable basis.
- Income direct from charitable activities is recognised when the charitable company is legally entitled to income and the amount can be measured reliably, which includes income from bars, catering, shops, membership services and training.

*Expenditure and irrecoverable VAT*

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under charitable activity rather than the type of expense, in order to provide more useful information to users of the financial statements. Where costs cannot be directly attributed to particular heading they have been allocated to activities on a basis consistent with use of the resources.

Raising funds are those incurred in seeking voluntary contributions to enable the charitable company to carry out its charitable activities, these do not include the costs of disseminating information in support of the charitable activities.

Support and governance costs which cannot be directly attributable to a specific activity have been allocated to activities on a basis consistent with the use of the resources. Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

*Tangible fixed assets and depreciation*

Tangible fixed assets are initially recorded at costs and subsequently measured at cost net of depreciation and any impairment losses. Tangible fixed assets with a cost price in excess of £500 are capitalised and all other expenditure is charged to the SOFA in the year incurred.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of the asset less any residual value, except for land over its estimated useful economic life. It is calculated at the following annual rates:

Motor vehicles	-	33% Straight Line
Fixtures & fittings	-	20 - 33% Straight Line
Computer equipment	-	33% Straight Line

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017 (continued)

---

**2. Accounting policies (continued)**

*Impairment of fixed assets*

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the charitable company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment losses are recognised in statement of financial activities.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in statement of financial activities. On reversal of an impairment loss, the depreciation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

*Jointly controlled entity*

The charitable company has a long term interest and shares, controlled under contractual arrangements that is classified as a jointly controlled entity.

*Stocks*

Stock consisting of goods purchased for resale are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items.

At each reporting date, the charitable company assesses whether stocks are impaired or if any impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in statement of financial activities.

*Operating leases*

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with lessor are charged against income on a straight line basis over the period of the lease.

*Financial instruments*

The charitable company only has financial assets and liabilities of a kind that qualify as basic financial instruments and are not considered to be of financial nature. Such financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with exception.

*Debtors*

Trade debtors and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors and other debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

*Cash and cash equivalents*

Cash and cash equivalents includes cash and monies on short-term deposits at the bank, other short-term liquid investments with original maturities of three months or less.

*Creditors*

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017 (continued)

---

#### 2. Accounting policies (continued)

##### *Taxation*

No provision for corporation tax has been made as the charitable company is exempt from corporation tax on its income and gains to the extent that these are applied to its charitable activities.

##### *Pensions*

The charitable company participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the charitable company. Therefore the pension charge shown in the financial statements represents the contributions payable in the year, as under current accounting standards the contributions are accounted for as if the scheme were a defined contributions scheme.

The charitable company also contributes to the NUS Aegon Pension Scheme and the government approved NEST scheme. The annual contributions payable are charged to the Statement of Financial Activities.

##### *Provisions*

Provisions are recognised when either a constructive or legal obligation exists.

##### *Employee benefits*

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 3. Legal status of the charitable company

De Montfort University Students Union Limited is a private incorporated charitable company (company number 06634464) and is also registered at the Charity Commission in England and Wales. The charitable company is limited by guarantee and such has no issued share capital.

The address of the charitable company's registered office and principal place of business is First Floor, Campus Centre Building, Mill Lane, Leicester, Leicestershire, LE2 7DR.

The main aims of De Montfort University Students Union Limited are to advance the education of the students of De Montfort University for the public benefit.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017 (continued)

4. Income from

	Restricted Funds £	Unrestricted Funds £	Total Funds 2017 £	Total Funds 2016 £
<b>Donations and legacies</b>				
Grant income	-	1,044,792	1,044,792	1,260,996
Grant of serviced accommodation	-	150,000	150,000	80,000
Sub total	-	1,194,792	1,194,792	1,340,996
<b>Charitable activities</b>				
Bars and catering	-	197,709	197,709	353,636
Shops	-	117,112	117,112	188,777
Membership services	214,940	20,686	235,626	243,008
Training	-	10,160	10,160	13,530
Sub total	214,940	345,667	560,607	798,951
<b>Other trading activities</b>				
Commercial marketing and sponsorship	-	122,431	122,431	86,276
Sub total	-	122,431	122,431	86,276
<b>Investment income</b>	-	1,038	1,038	1,264
Total	214,940	1,663,928	1,878,868	2,227,487

5. Other incoming resources

	Restricted Funds £	Unrestricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Other income	-	110,746	110,746	81,372

**DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017 (continued)**

**6. Analysis of expenditure**

	Direct supplies £	Direct staff costs £	Other direct costs £	Support costs £	2017 £	2016 £
<b>Raising Funds</b>						
Commercial marketing and sponsorship	60,907	23,313	11,726	53,761	149,707	98,983
Sub total	60,907	23,313	11,726	53,761	149,707	98,983
<b>Charitable Activities</b>						
Welfare, advice and representation	72,700	418,440	17,850	141,790	650,780	566,116
Bars and catering	92,405	169,617	1,030	213,784	476,836	498,011
Shops	59,060	57,167	5,160	61,261	182,648	193,156
Membership services	306,309	339,023	15,592	134,290	795,214	930,543
Training	5,654	-	-	-	5,654	6,941
Sub total	536,128	984,247	39,632	551,125	2,111,132	2,194,767
<b>Total</b>	597,035	1,007,560	51,358	604,886	2,260,839	2,293,750

**Other direct costs comprised**

	2017 £	2016 £
Depreciation	17,606	30,879
Repairs and renewals	2,550	1,513
Insurance	1,391	7,022
Other	29,811	32,509
<b>Total</b>	51,358	71,923



**DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017 (continued)**

**7. Analysis of the support costs**

	<b>Staff costs £</b>	<b>Rent £</b>	<b>Other costs £</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Raising Funds</b>					
Commercial marketing and sponsorship	25,207	7,500	21,054	53,761	52,427
Sub total	25,207	7,500	21,054	53,761	52,427
<b>Charitable Activities</b>					
Welfare, advice and representation	63,018	30,000	48,772	141,790	130,660
Bars and catering	75,621	75,000	63,163	213,784	185,281
Shops	25,207	15,000	21,054	61,261	56,427
Membership services	63,018	22,500	48,772	134,290	126,659
Sub total	226,864	142,500	181,761	551,125	499,027
<b>Total</b>	<b>252,071</b>	<b>150,000</b>	<b>202,815</b>	<b>604,886</b>	<b>551,454</b>

**Other costs comprised**

	<b>2017 £</b>	<b>2016 £</b>
Depreciation	1,135	1,585
Repairs and renewals	5,345	1,133
Insurances	17,608	21,158
Sundry supplies	112,892	75,196
Investment in facilities	50,000	-
Audit and accountancy fees	15,835	16,610
<b>Total</b>	<b>202,815</b>	<b>115,682</b>

**8. Governance costs**

	<b>2017 £</b>	<b>2016 £</b>
Audit, accountancy and legal fees	25,218	21,807

**DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017 (continued)**

**9. Analysis of staff costs and numbers**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Total staff emoluments for the year were as follows:		
Wages and salaries costs	909,358	1,029,907
Social security costs	78,104	81,638
Pension contributions	272,169	95,217
	<u>1,259,631</u>	<u>1,206,762</u>

During the year the charitable company made redundancy payments and payments in lieu of notice amounting to £Nil (2016: £44,996).

The pension costs are allocated to activities in proportion to related staffing costs incurred.

The average number of individuals employed by the charitable company during the year was as follows:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Commercial activities	26	38
Charitable activities	22	25
Admin and management	8	8
Total staff	<u>56</u>	<u>71</u>

There were no members of staff who received emoluments, including benefits in kind, within the range of £60,001 - £70,000 (2016: 1)

**10. Trustees' remuneration and expenses and cost of key management personnel**

**Trustees' remuneration**

Each of the Executive Committee's sabbatical officers received remuneration as authorised in the Union's governing document for the representation, campaigning and support work they undertake as distinct from their trustee responsibilities. Their remuneration amounted to £102,340 (2016: £107,387) in aggregate. The split as detailed below:

M Footitt	- £2,304	(2016: £Nil)	D Mensah	- £2,304	(2016: £Nil)
J Okwuonu	- £2,304	(2016: £Nil)	M Clarke	- £18,941	(2016: £2,208)
K Rounsley	- £19,013	(2016: £18,734)	A Mahmood	- £18,941	(2016: £2,208)
D Winney	- £19,448	(2016: £18,678)	A Mbanasor	- £19,085	(2016: £1,920)

During the year end 31 July 2016, remuneration was paid to A Waraich amounting to £28,718, A Chapman amounting to £17,173, A Redfern amounting to £17,748, these trustees resigned on 30 June 2016.

During the year pension payments were made to the NEST scheme as follows:

A Chapman	£Nil	(2016: £172)
K Rounsley	£79	(2016: £113)
D Winney	£79	(2016: £187)
M Clarke	£79	(2016: £22)
A Mahmood	£79	(2016: £22)

**DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017 (continued)**

**10. Trustees' remuneration and expenses and cost of key management personnel (continued)**

**Trustees' remuneration (continued)**

During the year, one (2016: two) external trustees' received travelling expenses totalling £104 (2016: £419)

**Key management remuneration**

The key management personnel of the charitable company comprise the trustees and members of the DSU staff management committee that are responsible for the day to day running of the charity. The total employee benefits for key management personnel of the charitable company were £342,379 (2016: £354,104).

**11. Net (expenditure)/income**

This is arrived at after charging:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Depreciation of owned assets	18,741	32,464
Loss on disposal of fixed assets	4,986	-
	<hr/>	<hr/>

The exceptional item of £50,000 represents an investment required into the bar and nightclub space which was match funded by DMU. This space was excluded from the venue refurbishment carried out DMU and as such this investment was required to ensure this space was both fit for purpose and improved in standard to sit alongside the other refurbishment work.

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows;

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Audit services – statutory audit of the charitable company	11,750	10,500
Other services:		
Taxation compliance services	-	1,360
Other non-audit services	4,085	4,750
	<hr/>	<hr/>
	15,835	16,610
	<hr/>	<hr/>

**DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017 (continued)**

**12. Tangible fixed assets**

	<b>Motor Vehicles £</b>	<b>Fixtures &amp; fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 August 2016	18,540	140,571	1,008	160,119
Additions	-	138,781	38,848	177,629
Disposals	(18,540)	-	-	(18,540)
At 31 July 2017	-	279,352	39,856	319,208
<b>Depreciation</b>				
At 1 August 2016	6,180	139,158	112	145,450
Charge for the year	3,090	14,236	1,415	18,741
Disposals	(9,270)	-	-	(9,270)
At 31 July 2017	-	153,394	1,527	154,921
<b>Net book value</b>				
At 31 July 2017	-	125,958	38,329	164,287
At 31 July 2016	12,360	1,413	896	14,669

**13. Stocks**

	<b>2017 £</b>	<b>2016 £</b>
Finished goods and goods for resale	26,327	27,722

**14. Debtors**

	<b>2017 £</b>	<b>2016 £</b>
Trade debtors	39,707	18,903
Other debtors	14,793	12,438
Prepayments and accrued income	10,557	55,522
	65,057	86,863

**15. Creditors:  
Amounts falling due within one year**

	<b>2017 £</b>	<b>2016 £</b>
Trade creditors	20,504	22,428
Other taxation and social security	22,417	19,968
Other creditors	9,932	8,942
Accruals and deferred income	123,417	85,353
	176,270	136,691

**DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017 (continued)**

**15. Creditors:  
Amounts falling due within one year (*continued*)**

<b>Deferred Income</b>	<b>£</b>
Deferred income at 1 August 2016	32,727
Resources deferred in the year	73,134
Amounts released from previous year	(32,727)
	<hr/>
Deferred income at 31 July 2017	73,134
	<hr/>

The deferred income at 31 July 2017, relates to rent and service charges, training, private hire, sponsorship and events for the next year.

**16. Financial instruments**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	54,500	61,337
	<hr/>	<hr/>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	80,719	83,996
	<hr/>	<hr/>

**17. Provisions**

	<b>Holiday Pay Accrual</b>
	<b>£</b>
At 1 August 2016	5,000
Amounts expended	-
Amounts released	-
	<hr/>
At 31 July 2017	5,000
	<hr/>

The Trustees are aware of a liability which has arisen due to the difference in payment of holiday pay. This liability goes back several years and provision has been made of the best estimate of likely costs based on the known current year costs and legal advice obtained.

**DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017 (continued)**

**18. Statement of funds**

	At 1 August 2016 £	Incoming resources £	Resources expended £	Transfer £	At 31 July 2017 £
<b>Restricted funds</b>					
Clubs and societies	81,730	214,940	(205,704)	-	90,966
<b>Unrestricted funds</b>					
General fund	226,402	1,774,674	(1,780,114)	(50,000)	170,962
Facility development reserve	159,919	-	(74,344)	50,000	135,575
Total unrestricted funds	386,321	1,774,674	(1,854,458)	-	306,537
Pension reserve	(732,111)	-	(200,677)	-	(932,788)
Total funds	(264,060)	1,989,614	(2,260,839)	-	(535,285)

Restricted funds represent funds raised and administered by the Union for the specific benefit of clubs and societies and as such are ring fenced for the future benefit of that specific club or society.

**Facility development reserve**

The designated fund for investment will cover the refurbishment of our commercial areas and administrative space. This will allow DSU to take advantage of future opportunities and risks. As such the designated funds are excluded from reserves as per the Charities Commission definition.

The transfer is in relation to the investment in facilities funded by DSU from the general fund (Note 11).

**19. Analysis of net assets between funds**

	Restricted funds £	General funds £	Facility development reserve £	Pension reserve £	Total funds £
Tangible fixed assets	-	116,885	47,402	-	164,287
Current assets	90,966	18,690	304,830	-	414,486
Creditors due within one year	-	-	(176,270)	-	(176,270)
Provisions for liabilities	-	-	(5,000)	-	(5,000)
Pension liability	-	-	-	(932,788)	(932,788)
	90,966	135,575	170,962	(932,788)	(535,285)

**DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017 (continued)**

**20. Reconciliation of net (expenditure) income to net cash flow from operating activities**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Net (expenditure)/income for the reporting period</b>	(271,225)	15,109
<b>Adjustments for:</b>		
Depreciation charges	18,741	32,464
Interest on investments	(1,038)	(1,264)
Loss on disposal of fixed assets	4,986	-
Decrease in stocks	1,395	3,371
Decrease/(increase) in debtors	21,806	(36,012)
Increase in creditors	39,579	11,526
Movement on defined pension scheme liability	200,677	24,161
<b>Net cash provided by operating activities</b>	<u>14,921</u>	<u>49,355</u>

**21. Pension costs**

The charitable company participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the charitable company. Under the accounting standard FRS102 and Charity SORP (FRS102), in these circumstances contributions are accounted for as if the Scheme were a defined contribution scheme based on actual contributions paid through the year.

The charitable company participates in the Students' Union Superannuation Scheme, which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the Scheme closed to future accrual.

The most recent Valuation of the Scheme was carried out as at 30 June 2016 and showed that the market value of the Scheme's assets was £101.3m with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £119.7m. The assumptions which have the most significant effect upon the results of the Valuation are those relating to the sustained low yield on government bonds.

The following assumptions applied at 30 June 2016:

- Pre-retirement discount rate – 4.3% pa
- Post retirement discount rate – 2.3% pa
- Retail price inflation (RPI) – 3.2% pa
- Consumer Price inflation (CPI) – 2.2% pa
- Pension increase in payment for services, post 1997 (RPI min 3% and max 5%) – 3.6% pa and post 2000 (RPI max 5%) – 3.1% pa

# DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017 (continued)

### 21. Pension costs (continued)

The 2016 Valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 17 years and therefore contribution will increase by 20% from 1 October 2017 and by a further 5% each year subsequent year. These rates applied with effect from 1 October 2017 and contributions due from October 2020 onwards will be reviewed following the next actuarial valuation.

Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. In addition to the above contributions, The Union also pays its share of the Scheme's levy to the Pension Protection Fund. FRS102 and Charities SORP (FRS102), require that the charitable company share of past service shortfall is reflected in the financial statements. Based on the most recent valuation, the charitable company contribution to eliminating the shortfall was £45,432 for the year ended 31 July 2017 (2016: £39,651) and increasing by 20% from 1 October 2017 and then 5% p.a. until June 2033.

Therefore, at 31 July 2017, the balance sheet of charitable company includes a liability of £932,788 (2016: £732,111), which represents the net present value of all future contributions towards eliminating this shortfall. The discount rate used is 2.57% (2016: 2.75%) which is comparable to that for a 15+ year AA-rated corporate bond. The estimated liability is based on the 2016 triennial valuation of the scheme, and will necessarily require revision after subsequent revaluations. The balance is made up as follows:

	2017 £	2016 £
Balance brought forward	732,111	707,950
Contributions made in the year	(45,432)	(39,651)
Charge to statement of financial activities	246,109	63,812
Balance carried forward	<u>932,788</u>	<u>732,111</u>

Total contributions paid by the charitable company with respect to the pension schemes for the year amounted to £272,169 (2016: £95,217).

### 22. Related party transactions

The De Montfort University Students' Union Limited is in receipt of a recurrent grant from its parent institution, De Montfort University of £1,044,792 (2016: £1,260,996).

In addition the De Montfort University Students' Union Limited occupies its building on a rent free basis under an informal license subject to the De Montfort University Students' Union Limited maintaining the building in a good state of repair. As a result an estimated value to De Montfort University Students' Union Limited for the free serviced accommodation has been included in the accounts. This has been valued at £150,000 (2016: £80,000) based on market prices within Leicester. This income can be seen in note of the financial statements under accommodation costs.

Income of £72,020 was collected and purchases of £20,479 were made on behalf of De Montfort University during the year. These transactions were re-imbursed and recharged respectively to De Montfort University with a balance owing from De Montfort University Student Union Limited to De Montfort University of £336 at the year-end date. In addition De Montfort University Students Union Limited made payments of £50,000 to De Montfort University, representing a contribution to the improvement of facilities in the building occupied and purchased computer equipment from De Montfort University to a value of £38,848.



**DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017 (continued)**

**22. Related party transactions (continued)**

**Student Union Lettings Limited (trading as Sulets)**

On 1 August 2012, the trade and assets of the lettings operation (previously known as DSU Lettings) were transferred to a new limited company Student Union Lettings Limited (trading as Sulets). Sulets is a registered charity and company limited by guarantee which is jointly controlled by DSU and The University of Leicester Students Union (ULSU). This collaboration with ULSU offers many commercial advantages within student lettings including contracts with external Halls Providers.

A summary of the trading results of Sulets are shown below:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Income	969,447	811,226
Expenditure	(848,084)	(632,247)
Net movements in funds	<u>121,363</u>	<u>178,979</u>
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Balance sheet</b>		
Fixed assets	15,586	-
Current assets	867,209	720,993
Creditors: amounts falling due within 1 year	(103,136)	(62,697)
Total funds	<u>779,659</u>	<u>658,296</u>

The charitable company constitutes 50% of the membership, therefore the charitable company's share of income is £484,723 (2016: £405,613) and share of expenditure £424,042 (2016: £316,124). The charitable company's share of the total funds at 31 July 2017 is £ 389,829 (2016: £329,148).

During the year the charitable company received £10,000 (2016: £10,000) from Sulets for sponsorship for Club and Society events. In addition, Sulets paid £90,000 (2016: £71,000) for Finance and HR support and rent.

**23. Controlling party**

The trustees consider that the ultimate control of DSU rests with its membership.

**DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017 (continued)**

**24. Statement of financial activities incorporating income and expenditure accounts for the year ended 31 July 2016**

	Restricted funds £	Unrestricted funds £	Total funds £
<b>Income from:</b>			
Donations and legacies	-	1,340,996	1,340,996
Charitable activities	176,051	622,900	798,951
Other trading activities	-	86,276	86,276
Investment income	-	1,264	1,264
Other income	-	81,372	81,372
<b>Total</b>	<u>176,051</u>	<u>2,132,808</u>	<u>2,308,859</u>
<b>Expenditure on:</b>			
Raising funds	2,416	96,567	98,983
Charitable activities	183,670	2,011,097	2,194,767
<b>Total</b>	<u>186,086</u>	<u>2,107,664</u>	<u>2,293,750</u>
<b>Net movement in funds</b>	<u>(10,035)</u>	<u>25,144</u>	<u>15,109</u>